

May 8, 2003

Kevin Lucas, Project Manager  
EDiS  
110 Poplar Street  
Suite 400  
P.O. Box 2697  
Wilmington, DE 19805-0697

**RE: Sussex Central High School**

Dear Kevin:

We previously wrote to you on April 22, 2003 to advise you of the delays on the Project and how they are affecting our progress. Pursuant to paragraph 4.7 of the General Conditions, we write to formalize our claim with the School District for an extension of time (paragraph 4.7.8) and additional cost (paragraph 4.7.7) as a result of delays and inefficiencies at the Project.

As you are aware, Specification Section 1305 sets forth the terms and provisions concerning the construction schedule. In particular, paragraph 1.1 indicates that:

the contractor agrees to adhere to the intermediate milestone dates and dates of substantial and final completion established herein. The contractor also understands that all work must be performed in an orderly and closely coordinated sequence in order to achieve the specified milestone and completion dates, and the contractor hereby agrees to perform his work in conformance with the pre-bid construction schedule established herein or with the then current and approved Project schedule.

Attached to Section 1305 is a schedule which sets for the following activities and their start and finish dates.

**ACTIVITY**

	<b><u>Start</u></b>	<b><u>Finish</u></b>
• Footers, foundation walls	10-23-02	1-14-03
• Underslab utilities	12-04-02	2-11-03
• Slab on grade	1-15-03	4-08-03
• Erect structural steel	2-26-03	5-6-03



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In preparing its bid proposal to the School District for the plumbing and mechanical work, McDaniel reviewed the specifications, including the General Conditions and Section 1305, and relied on them to determine its price for the work. Thereafter, McDaniel executed a contract with the School District, which incorporated the specifications and the expectation that the Project would proceed as set forth on the schedule. As set forth below, the Project has not proceeded in the manner required by the initial schedule.

On September 17, 2002, at a Progress Meeting No. 2, EDIS issued and reviewed a schedule date of September 18, 2002. During the meeting, the owner and EDIS, among others, elected to extend the duration of the footers and piers for Area A by three weeks. This decision was the first of several circumstances delaying the underground work to be performed by McDaniel.

On October 29, 2002, EDIS issued an updated schedule date of October 3, 2002, which revised dates for, among other things, the initial phase of work, including Area A. During the meeting it was stated that layout for building footers would start by November 1, 2002, but that the work may be impacted by weather. It was expected that execution of footers in Area A would start on November 7, 2003. As we know from the meeting minutes dated November 26, 2002 (Progress Meeting No. 7) the November 7 date did not hold.

Pursuant to the revised schedule dated November 19, 2002, the start/finish dates for certain critical path activities shifted as follows:

<u>ACTIVITY</u>	<u>Start</u>
• Footers and foundations	11-21-02 (actual)
• Underground utilities	12-20-02
• Slab on grade	1-14-03
• Steel erection	2-4-03

On or about December 2, 2002, McDaniel submitted to you an activity schedule, which set forth expedited start and completion dates for the work under our contract. We specifically identified work activities for the various areas of the Project. For example, we expected to install our plumbing underground work in Area A starting December 12, 2002 and finishing January 1, 2003. Similarly, for Areas C, F and B, we show start and finish dates for underground work and other activities. As I am sure you are aware, none of the above dates have been met. In fact the footers for Areas A, C, D and E were only recently completed. With respect to Area F, only part of the exterior footing has been completed. No footings have been installed in Area B.

Presently, there is no steel erection on the Project even though, according to your November 19<sup>th</sup> schedule, the steel erection should have been completed by April 1, 2003. With respect to the slab on grade, no work has started, nor has any stone been placed in any area of the Project so that

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McDaniel can proceed with its underground utility work.

The initial contract schedule indicates that our underground utility work was to begin on December 4, 2002 and finish on February 11, 2003. None of this work has started, let alone completed, because of the lack of progress by the owner's concrete contractor. As a result, McDaniel Heating and Plumbing has been forced to find other work to perform, which is out of sequence with its original bid proposal to the owner.

In view of the above, we expect the owner to provide, at this point in time, a five (5) month extension for the completion of our work. Additionally, we expect an adjustment to our contract price to account for the delays and inefficiencies occurring on the Project. We intend to provide you with details concerning our additional costs including labor overruns, extended field conditions costs and extended home office overhead costs to account for the delays caused by either the owner or its concrete contractor. We are in the process of determining these additional costs and will transmit them to you once they are finalized. Please provide us with the owner's response in accordance with the provisions of Article 4.7 of the General Conditions.

Sincerely,

**William McDaniel**

WM:jh

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